



Yemen: Background and U.S. Relations

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Summary

This report provides an overview and analysis of U.S.-Yemeni relations amidst evolving political change in Yemeni leadership, ongoing U.S. counterterrorism operations against Al Qaeda in the Arabian Peninsula (AQAP) operatives at large in Yemen's hinterlands, and international efforts to bolster the country's stability despite an array of daunting socio-economic problems. Congress and U.S. policymakers may be concerned with prospects for stabilizing Yemen and establishing strong bilateral relations with future Yemeni leaders.

On November 23, 2011, after eleven months of protests and violence that claimed over 2,000 lives, then President Ali Abdullah Saleh of Yemen signed on to a U.S.-backed, Gulf Cooperation Council (GCC)-brokered transition plan. In line with the plan, Yemen held a presidential election in February 2012 with one consensus candidate on the ballot—former Vice President Abed Rabbo Mansour al Hadi. He received 6.6 million votes and, on February 25, 2012, he was inaugurated before parliament.

Many Administration officials have declared that AQAP, the Yemeni-based terrorist organization that has attempted on several occasions to attack the U.S. homeland, is the most lethal of the Al Qaeda affiliates. In recent years, the Administration and Congress have supported an increased U.S. commitment of resources to counterterrorism and stabilization efforts there. Many analysts assert that Yemen is becoming a failed state and safe haven for Al Qaeda operatives and as such should be considered an active theater for U.S. counterterrorism operations. Given Yemen's contentious political climate and its myriad development challenges, most long-time Yemen watchers suggest that security problems emanating from Yemen may persist in spite of increased U.S. or international efforts to combat them.

For FY2013, the Obama Administration is requesting \$72.6 million in State Department-administered economic and military aid for Yemen. The Administration ceased outlays of previously appropriated aid for Yemen during the past year due to political unrest there, although the delivery of some aid resumed in September 2011.

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Overview

Yemen is in the midst of a turbulent transition that began in 2011 with the wave of unrest that swept the region. It remains mired in the longstanding problems of tribalism, poverty, and regional divisions. The United States is primarily concerned with preventing Islamist terrorist groups based in Yemen from targeting the U.S. homeland, U.S. facilities and personnel inside Yemen, and destabilizing the Arabian Peninsula and Bab al Mandeb¹ region. As an impoverished mountainous country with a weak central government, Yemen is an attractive base of operations for Yemeni, Saudi, and other foreign militants determined to attack the United States. In many ways, U.S. policy toward Yemen may be considered a test case for countering terrorism in weak states globally. U.S. policymakers must navigate a host of challenges there that are common in such situations, including: training and equipping government security forces that may lack popular legitimacy; determining the costs/benefits of unilateral U.S. military action when local partners lack political will or sufficient counter-terrorism capabilities; and developing longer term strategies to improve socio-economic development without overly committing U.S. resources to nation-building enterprises.

¹ The Bab al Mandeb strait is an important geographic chokepoint separating the Red Sea from the Indian Ocean basin. Yemen and the volatile Horn of Africa region are separated across the strait by just 18 miles at its narrowest point. In 2011, 3.4 million barrels of oil per day flowed through the strait on tankers, down from 4.5 million barrels per day in 2008.

A map of Yemen and its surrounding regions. The map shows the following countries and regions: SAUDI ARABIA to the north, OMAN to the northeast, SOMALIA to the south, DJIBOUTI to the southwest, and ERITREA to the west. The Red Sea is to the west, and the Arabian Sea is to the east. The Gulf of Aden is to the south. The Bab al Mandab is the strait between the Red Sea and the Gulf of Aden. The island of Socotra is in the Arabian Sea. The map also shows the following regions in Yemen: SA'DAH, AL JAWF, AL MAHRAH, HADRAMAWT, MA'RIB, 'AMRAN, AL MAHWIT, AL HUDAYDAH, DHAMAR, SHABWAH, AL BAYDA', IBB, AD DALI', ABYAN, LAHIJ, and TA'IZZ. The cities of Sana'a (marked with a star), Al Hazm, Marib, 'Ataq, Al Mukalla, Al Ghaydah, Dhamar, Ibb, Ta'izz, Lahij, and Aden are marked. The Red Sea is labeled in blue, and the Arabian Sea is labeled in blue. The Gulf of Aden is labeled in blue. The Bab al Mandab is labeled in blue. The island of Socotra is labeled in orange.

Source: Map Resources. Adapted by CRS (July 2010).

Country Background

Located at the southwestern tip of the Arabian Peninsula, Yemen struggles with the lowest per capita GDP in the Arab world (\$2,300) for its population of 24.7 million people and has the region's second highest birth rate after the Gaza Strip. The country's rugged terrain and geographic isolation, strong tribal social structure, and sparsely settled population have historically made it difficult to centrally govern (and conquer). This has promoted a more pluralistic political environment, but also has hampered socioeconomic development. Outside of the capital of Sana'a, tribal leaders often exert more control than central and local government authorities. A series of Zaydi² Islamic dynasties ruled parts of Yemen both directly and nominally from 897 until 1962. The Ottoman Empire occupied a small portion of the western Yemeni coastline between 1849 and 1918. In 1839, the British Empire captured the southern Arabian Sea port of Aden, which it held, including some of its surrounding territories, until 1967.

² The population of Yemen is almost entirely Muslim, divided between Zaydis, found in much of the north (and a majority in the northwest), and Shafi'i's, found mainly in the south and east. Zaydis belong to a branch of Shi'a Islam, while Shafi'i's follow one of several Sunni Muslim legal schools.

The 20th century political upheavals in the Arab world driven by anti-colonialism and Arab nationalism tore Yemen apart in the 1960s. In the north, a civil war pitting royalist forces backed by Saudi Arabia against a republican movement backed by Egypt ultimately led to the dissolution of the Yemeni Imamate and the creation of the Yemen Arab Republic (YAR). In the south, a Yemeni Marxist movement became the primary vehicle for resisting the British occupation of Aden. Communist insurgents eventually succeeded in establishing their own socialist state (People's Democratic Republic of Yemen or PDRY) that over time developed close ties to the Soviet Union and supported what were then radical Palestinian terrorist organizations. Throughout the Cold War, the two Yemeni states frequently clashed, and the United States assisted the YAR, with Saudi Arabian financial support, by periodically providing it with weaponry.

By the mid-1980s, relations between North and South Yemen improved, aided in part by the discovery of modest oil reserves. The Republic of Yemen was formed by the merger of the formerly separate states of North Yemen and South Yemen in 1990. Ali Abdullah Saleh, a former YAR military officer and ruler of North Yemen (from 1978 to 1990) became president of the newly unified state in 1990. However, Yemen's support for Iraq during Operation Desert Storm crippled the country economically, as Saudi Arabia and other Gulf states expelled an estimated 850,000 expatriate Yemeni workers and the United States cut off ties to the newly unified state. In 1994, government forces loyal to then President Ali Abdullah Saleh put down an attempt by southern-based dissidents to secede. Many southerners still resent what they perceive as continued northern political, economic, and cultural domination of the country.

Yemen Under Saleh and Relations with the United States

Under former President Ali Abdullah Saleh's rule, political power gradually coalesced around his immediate family, whose members filled key posts in various security services. Corruption was rampant, and the country remained the poorest in the Arab world and one of the most destitute nations on earth. In 2011, it ranked #154 out of 187 on the United Nations Human Development Index. Saleh managed to stay in power for over four decades, but the country's long-term structural resource and economic challenges worsened during his rule.

During Saleh's presidency, U.S.-Yemeni relations were constantly strained by a lack of strong military-to-military ties and commercial relations, general Yemeni disapproval of U.S. policy in the Middle East, and U.S. distrust of Yemen's commitment to fighting terrorism. Since Yemen's unification, the United States government has been primarily concerned with combating Al Qaeda-affiliated terrorist groups inside Yemen. Al Qaeda's attack in 2000 against the USS *Cole*, coupled with the attacks of September 11, 2001, a year later officially made Yemen a front in the "war on terror."

During the early years of the George W. Bush Administration, bilateral relations improved under the rubric of the war against Al Qaeda, although Yemen's lax policy toward suspected terrorists and U.S. concerns about corruption and governance stalled additional U.S. support. Saudi Arabia's forceful campaign against Al Qaeda in the Arabian Peninsula (AQAP) drove militants to seek refuge in Yemen in the middle of the decade, compounding Yemen's struggle with terrorism. In 2009, the Obama Administration initiated a major review of U.S. policy toward Yemen. That review, coupled with the attempted airline bombing over Detroit on Christmas Day 2009, led to a new U.S. strategy toward Yemen referred to as the National Security Council's Yemen Strategic Plan. This strategy is essentially three-fold, focusing on combating AQAP in the short term,

increasing development assistance to meet long-term challenges, and marshalling support for global efforts to stabilize Yemen.

Yemen and the “Arab Spring”

As unrest spread across the Arab world in 2011, a youth-led popular demonstration movement challenged President Saleh’s rule in Yemen. First inspired by Tunisia’s Jasmine Revolution and then galvanized by the overthrow of Egyptian President Hosni Mubarak, a student protest movement managed over the course of several months to maintain nation-wide demonstrations and attract broad popular support that called for Saleh to step down from power. Seeing an opportunity to displace the president and his family, Saleh’s rivals from within the political and military elite, such as the powerful Al Ahmar family and the Commander of the First Armored Division, General Ali Mohsin (defected on March 21, 2011), joined opposition demands for the president’s resignation. Ultimately, what began as a popular revolt against a longtime ruler evolved into a confrontation between competing elites for executive power.

This confrontation turned violent in mid-2011, as street battles erupted in Sana’a and other cities between forces loyal to Saleh and supporters of his opponents. As political rivals openly fought in the capital, government forces were recalled from outlying provinces to protect the regime, leaving a security vacuum in areas known to harbor Islamist militants. Soon, militias associated with Al Qaeda in the Arabian Peninsula (AQAP) seized territory in one southern province. Concerned that political unrest in Yemen was weakening the central government and security forces and thus creating a security vacuum conducive to terrorist elements emerging, the United States, Saudi Arabia, and other members of the international community attempted to broker a political compromise.

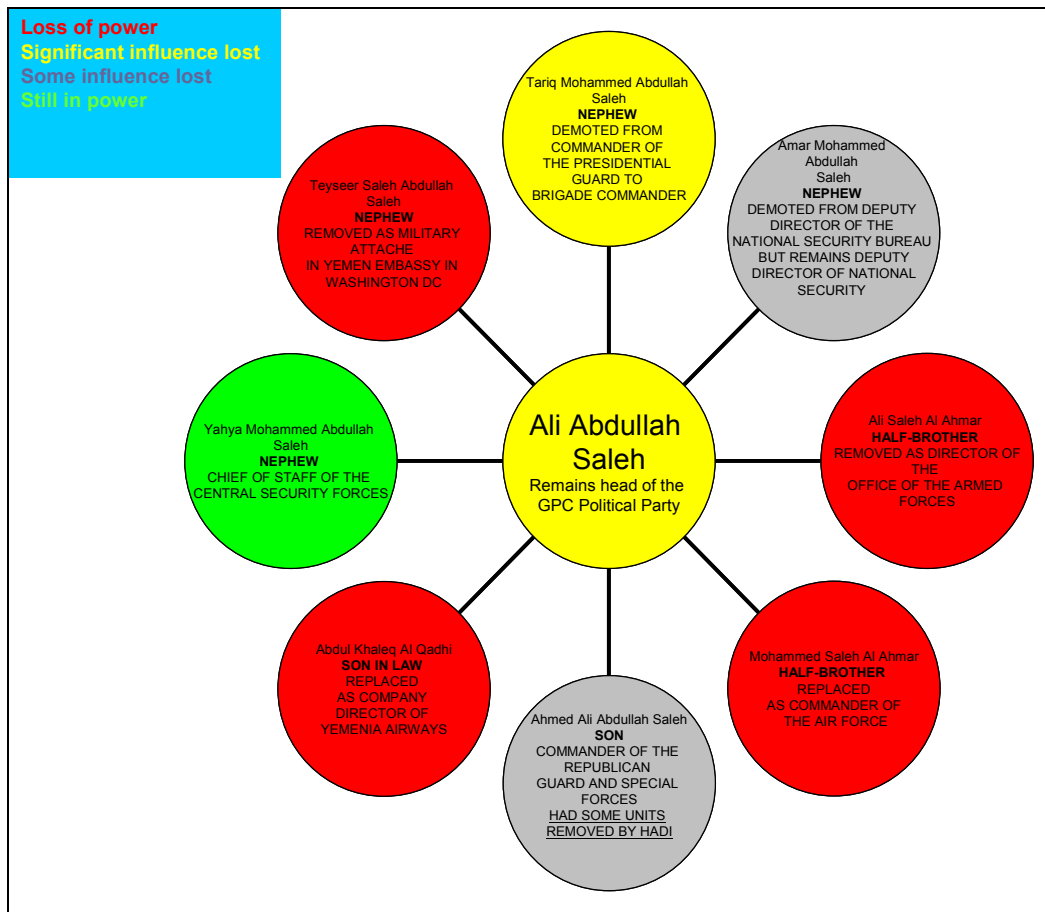
Then-President Saleh was able for several months to resist international attempts to broker his managed departure, in spite of a bombing attack that nearly killed him and forced his temporary exile to Saudi Arabia. However, a combination of greater international pressure, as exemplified by the passing of United Nations Security Council Resolution (UNSCR) 2014 (which reaffirmed UN support for a political settlement as soon as possible), defections from his loyalist security forces, and their mounting losses on the ground to rival tribal militias, ultimately led him to conclude that his political position had become untenable. In early November 2011, some European Union member states had begun to openly threaten sanctions, including asset freezes against the President and his family, if Saleh did not adhere to UNSCR 2014. There has been speculation that the Saudi Arabian government, perhaps sensing an opportunity to intervene, may have provided President Saleh and his rivals financial incentives to settle their differences and move to a cease-fire.

Yemen’s Tenuous Transition

On November 23, 2011, after eleven months of protests and violence that claimed over 2,000 lives, then-President Ali Abdullah Saleh of Yemen signed on to a U.S.-backed, Gulf Cooperation Council (GCC)-brokered transition plan. As part of the plan and in return for his resignation, Saleh and his family were granted immunity from prosecution and the former president was able to retain his role as head of the General People’s Congress (GPC), the former ruling party. After a 90-day transition period, Yemen held a presidential “election” in February 2012 with one consensus candidate on the ballot—former Vice President Abed Rabbo Mansour al Hadi. Al Hadi

received 6.6 million votes and, on February 25, 2012, was inaugurated as president. After the election attention shifted toward the next phases of the GCC plan. For the next two years, the nascent unity government composed of the GPC and Joint Meeting Parties (JMP) must address difficult issues, including restructuring the military; convening a national dialogue; redrafting the constitution and holding a constitutional referendum in 2013; and parliamentary and/or presidential elections by February 2014.

Figure 2. Saleh Family Network Status



Source: CRS compilation of reports on the Saleh family

In the months since his “election,” President Hadi has asserted executive authority while contending with the same cast of political rivals who clashed in 2011: the Saleh family, the Al Ahmar family, and General Ali Mohsin and his troops.³ One of the new president’s first tasks has been to restructure the military and centralize its control by stripping Saleh’s remaining relatives

³ According to one expert on Yemen, “Mohsen has been harmed far less than the Saleh side in the military reshuffling and, thus far, he has arguably gained strength. His forces guard the president’s house, he has recruited at least 10,000 soldiers since the uprising, and he is thought to have significant influence in presidential decisions, such as the appointment of Islah affiliated governors in the North. For independents, the Houthis, the Hiraak, the GPC, and even some in the JMP, Mohsen is a dangerous pillar of the old regime whose continued influence bodes poorly for genuine reform and is a reminder of how little has changed.” See, April Longley Alley, “Triage for a fracturing Yemen,” *ForeignPolicy.com*, October 31, 2012.

of their leadership posts.⁴ The process has been contentious and fraught with risk. To date, Hadi has proceeded cautiously and has achieved some notable successes (See **Figure 1** above). President Hadi's tactics may be to gradually weaken Saleh before fully cleansing the capital of fighters to avoid the outbreak of major conflict.

The international community has intervened several times to buttress Hadi's leadership. On April 6 the United Nations and others voiced support for Hadi's removal of military members, and Jamal Benomar, the UN Special Adviser on Yemen, met with Saleh to encourage him to comply with Hadi's orders.⁵ Threats of sanctions by the Security Council in June and a U.S. executive order authorizing the U.S. Treasury in May to freeze U.S.-based assets of those obstructing the GCC plan also influenced decisions by opposition to accede to the government.⁶ In June 2012, the United Nations Security Council passed UNSCR 2051, which could impose sanctions on anyone attempting to derail the GCC plan.

While some control of Saleh's family over Yemen's security forces has been degraded, his son Ahmad Saleh still commands the Republican Guard and his nephew Yahya Saleh heads the Central Security Forces. During the summer of 2012, President Hadi ordered some Republican Guard units to report to him directly, and troops loyal to Ahmad Saleh attacked the Ministry of Defense in an August 14 clash that killed five people. A month earlier, police officers loyal to Saleh attacked the Interior Ministry in a clash that killed as many as 15 people. Some press reports have questioned the role of Central Security Force personnel during the September 2012 attack on the U.S. Embassy in Sana'a.

September 2012 Attack on U.S. Embassy

On September 13, 2012, hundreds of mostly young men stormed the compound of the U.S. Embassy in Sana'a, causing destruction, looting, and setting fires. Up to 4 protestors were killed and 15 wounded in clashes with Yemeni security forces, 24 of whom were injured. President Hadi apologized the same day and called for a swift investigation; on September 16 the Ministry of Interior announced it had made 13 arrests. Some videos of the incidents allegedly show security forces embracing fleeing protestors, possibly indicating collusion stemming from their allegiance to former President Saleh (Many of the Yemeni soldiers posted near the U.S. Embassy are commanded by Yahya Saleh, the former president's nephew). Hadi had dismissed several pro-Saleh officials the night before the attack; the government had also announced the killing of a senior al Qaeda figure on September 11. Before the attack, radical cleric Abdul Majeed al Zindani, a specially designated terrorist by the United States since 2004, had called for protests outside the Embassy.

Negotiations between U.S. and Yemeni officials resulted in the deployment of a platoon (50) of U.S. Marines to Yemen on September 14. On September 15, Yemen-based Al Qaeda in the Arabian Peninsula (AQAP) called for more attacks, describing the video and related confrontations as "a new chapter in the crusades against Islam."

See: CRS Report R42743, *Recent Protests in Muslim Countries: Background and Issues for Congress*, coordinated by Christopher M. Blanchard.

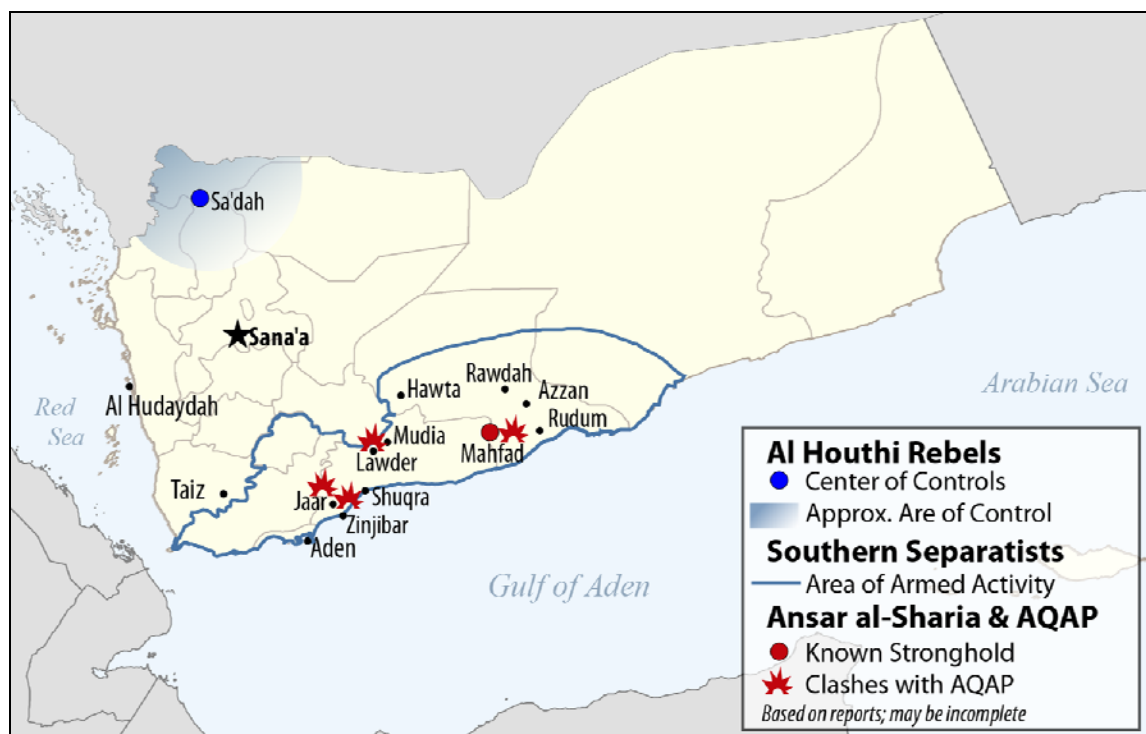
⁴ In Yemen, soldiers receive their pay directly from division commanders rather than from the central government. This creates opportunities for corruption and divided loyalties.

⁵ <http://english.alarabiya.net/articles/2012/05/03/211997.html>

⁶ <http://www.whitehouse.gov/the-press-office/2012/05/16/executive-order-blocking-property-persons-threatening-peace-security-or->

Figure 3. Map of Yemen

Locations of Northern and Southern Rebellions and AQAP Presence



Source: Adapted by CRS Graphics from <http://www.polgeonow.com/>

The National Dialogue and Regional Conflicts

In mid-November 2012, as stipulated in the GCC plan, President Hadi is expected to convene a National Dialogue with a multitude of Yemeni political groupings to discuss key issues facing the country's future. These talks are to serve as preparation for the drafting of a new constitution. The major issue that has loomed over Yemeni politics since unification is the question of power sharing between the capital Sana'a and the provinces, as some regional movements either seek local autonomy, federalism, or outright independence.

Southern Yemenis have long been disaffected because of their perceived second-class status in a unified state from which many of their leaders tried to secede during the civil war in 1994. Civil unrest in Yemen's southern governorates reemerged in 2007, when civil servants and military officers from the former People's Democratic Republic of Yemen (PDRY) began protesting low salaries and the lack of promised pensions. Since then, what started as a series of demonstrations against low or non-existent government wages has turned into a broader "movement," known as the Southern Mobility Movement (SMM or, in Arabic, *Al Harakat al Janubi* or *Hirak*). The SMM is divided between secessionist forces, federalists, those seeking external aid⁷, and southern nationalists who disavow foreign support for their cause.

⁷ Yemeni leaders have long claimed that Iran was trying to destabilize Yemen in order to secure more financial and military aid from the Arab Gulf states, and more recently there have been new accusations of a growing Iranian role (continued...)

In the north, a revolt has been raging for nearly a decade in the northernmost governorate of Saa'da. This is often referred to as the Al Houthi conflict because it is led by the Al Houthi family, a prominent Zaydi religious clan who claim descent from the prophet Mohammed. Houthis believe that Zaydi Shiism and the Zaydi community have become marginalized in Yemeni society for a variety of reasons, including government neglect of Saa'da governorate and Saudi Arabian "Wahhabi" or "Salafi" proselytizing in Saa'da. They have repeatedly fought the Yemeni central government. In 2009, the Houthis fought both Yemen and Saudi Arabia. The Saudi government staged a cross border military intervention inside Yemen in response to reported infiltration by Al Houthi fighters into southern Saudi Arabia. As Yemen's central government has been mired by elite squabbling since 2011, the Houthis have managed to seize more territory in the north.

Few observers expect the National Dialogue process to resolve these longstanding disputes. President Hadi was a long-time Saleh ally and was vice president for eighteen years; to many, his presidency suggests stasis rather than reform. Hadi has appointed personnel from his home province of Abyan in senior military commands and in positions to make lucrative oil and land distribution decisions. Meanwhile, demands for autonomy or independence from the center are growing in the former PDRY and in other provinces—counter to UNCR 2014 which supports Yemen's territorial integrity. Some members of the *Hirak* movement seek southern independence and may boycott the National Dialogue process despite Hadi's statement that separatism should be discussed.⁸

Al Qaeda in the Arabian Peninsula and U.S. Counter-Terrorism Activities in Yemen

Since a merger of the Saudi and Yemeni Al Qaeda affiliates in 2009, U.S. officials have considered AQAP to be one of the most dangerous terrorist groups worldwide. The organization has leaders dedicated to targeting the U.S. homeland, illicit fundraising networks, an English-language media strategy designed to recruit Westerners for attacks on U.S. and European soil, and enough physical security and tribal protection in Yemen's remote southern provinces to operate somewhat freely. AQAP has targeted the U.S. Embassy in Sana'a and the Saudi royal family, and has made at least two unsuccessful attempts to bomb airlines over U.S. air space (Christmas Day 2009, Parcel bombs October 2010).

(...continued)

inside Yemen. In the south, 73-year-old Ali Salim al Beidh, the leader of the Southern Mobility Movement who also led the unsuccessful southern revolt against the north in the 1994 civil war in which an estimated 3,000 people were killed, may be receiving Iranian support. According to one unnamed senior Western diplomat, "We know that Iran is interested in promoting some of the more extreme elements of the secessionist movement, providing funding to Beidh....Beidh is in Beirut with the intention of destabilizing the situation in the south, trying to block implementation of the national dialogue and creating an anti-Yemen program in southern Yemen." See, Reuters, "Southern Yemen separatists see new chance after Saleh's demise," October 11, 2012.

⁸ Agence France Presse, "Yemen Separatists to Boycott National Dialogue," October 3, 2012.

AQAP Evolution and the U.S. Response

The security vacuums in that were created in remote areas of Yemen when the “Arab Spring” came to Yemen created an opening that AQAP seized. The group, which had previously focused its terrorist plots against foreign targets inside and outside Yemen, shifted its strategy by creating a Taliban-like insurgent movement called Ansar al Sharia (“partisans of sharia,” connoting the enforcement of strict interpretations of Islamic law). Ansar al Sharia seized territory throughout Abyan governorate, while AQAP used a combination of coercive power, financial incentives, tribal ties, and anti-government sentiment to attract hundreds of recruits to its cause.

For the Obama Administration, the changing nature of the terrorist threat emanating from Yemen challenged U.S. counterterrorism policy, which had previously focused more on combating high value targets. According to one report, in the summer of 2011, President Obama admonished a U.S. general in a Situation Room meeting who had casually referred to the military’s “campaign” in Yemen, asserting that there was no campaign and that the United States is not at war in Yemen.⁹ However, without a strong Yemeni government presence in the south and with high value AQAP targets still at large and judged to be planning attacks against the U.S. homeland, the Obama Administration has since moved more forcefully to deal with the evolving AQAP threat.¹⁰

Over the course of 2011, during Yemen’s political crisis, U.S. military and intelligence activities directed against AQAP increased; one media report asserted that “Yemen has become a template for growing CIA [Central Intelligence Agency] and JSOC [Joint Special Operations Command] counterterrorism collaboration.”¹¹ In addition to fostering closer CIA-JSOC cooperation in Yemen, the Obama Administration has expanded the CIA’s authority to conduct drone strikes in Yemen. According to one report, “The policy shift [referred to as “signature strikes], approved this month, allows the C.I.A. and the military’s Joint Special Operations Command to strike militants in Yemen who may be plotting attacks against the United States, but whose identities might not be completely known, an authority that already exists in Pakistan.”¹²

Throughout 2012, alleged U.S. kinetic strikes against AQAP targets have continued. On May 12, the Yemeni Army, reportedly backed by U.S. military planning and aerial assets, initiated a frontal assault against AQAP-held areas in southern Abyan governorate.¹³ Approximately eight Yemeni Army brigades (est. 20,000+ personnel) conducted a month-long operation against at least several hundred AQAP militants with the aid of local tribal leaders, retaking the town of Jaar and the

⁹ “Obama’s Lean, Mean SEAL Machine; The rescue of two aid workers in Somalia and the president’s bold, new strategy,” *Newsweek*, February 6, 2012.

¹⁰ The United States was forced to act more unilaterally during 2011 and now appears to be working in concert with the Al hadi government. Once political infighting began between Yemeni elites at the height of unrest in the spring of 2011, the United States withdrew around 75 trainers from Yemen. According to U.S. Ambassador to Yemen Gerald Feierstein, “There are some things we couldn’t do last year because of the political crisis....There has been a hiatus. We have not done training because the Yemeni units were not in a position to continue with the training. They had other priorities.” See, Eric Schmitt, “U.S. Teaming With New Yemen Government on Strategy to Combat Al Qaeda,” *New York Times*, February 26, 2012.

¹¹ This CRS analysis is based entirely on open source material. “U.S. airstrike targets al-Qaeda in Yemen,” *Washington Post*, February 1, 2012.

¹² “Yemen to Face More Drones,” *New York Times*, April 26, 2012.

¹³ Christopher Swift, “Arc of Convergence: AQAP, Ansar al-Shari’a and the Struggle for Yemen,” U.S. Military Academy Combating Terrorism Center Sentinel, June 21, 2012.

provincial capital of Zinjibar on June 12.¹⁴ The effort was preceded by several weeks of intense shelling, in addition to formidable air attacks, reportedly carried out by U.S. drones and jets from nearby Djibouti and by the far less effective Yemeni Air Force.¹⁵ The operation succeeded in driving Ansar al Sharia fighters out of urban areas, but fighting in the surrounding countryside continues.

As the scale of alleged U.S. involvement in Yemen has grown, U.S. officials have begun to publicly articulate what the United States aims to achieve through its counterterrorism operations in Yemen. In May 2012, U.S. Secretary of Defense Leon Panetta, in an interview with *ABC News*, briefly acknowledged how the United States is combating AQAP in Yemen. When asked if the United States can defeat AQAP without “boots on the ground,” the Secretary of Defense responded by saying:

The answer is yes, because very frankly, what we're targeting, the operations we're conducting, require the kind of capabilities that don't necessarily involve boots on the ground, but require the kind of capabilities that target those that we're after who are threats to the United States. That's what this mission is about. It isn't about getting into, you know, their tribal differences and controversies. It isn't about getting into a civil war. It's about going after those who threaten our country. That's what this mission is about.¹⁶

Several weeks later, in his June 2012 War Powers Resolution 6-Month Report, President Obama acknowledged that the United States military was actively engaged inside Yemen. The President's letter stated that:

The U.S. military has also been working closely with the Yemeni government to operationally dismantle and ultimately eliminate the terrorist threat posed by al-Qa'ida in the Arabian Peninsula (AQAP), the most active and dangerous affiliate of al-Qa'ida today. Our joint efforts have resulted in direct action against a limited number of AQAP operatives and senior leaders in that country who posed a terrorist threat to the United States and our interests.¹⁷

On October 19, 2012, the *Washington Post* reported that the United States conducted its 35th air strike in Yemen against AQAP this year.¹⁸

Counterterrorism in Yemen: To What End?

As in other global theaters for U.S. counterterrorism operations such as Afghanistan and Pakistan, U.S. involvement in Yemen has raised broader questions related to both U.S. tactics and strategy, such as:

¹⁴ Ahmed Dawood, “Broadened military attacks to purge Abyan,” *Yemen Times*, May 14, 2012.

¹⁵ Jack Serle, “Al Qaeda ‘down but not out’, says top Yemen reporter,” *Bureau of Investigative Journalism*, City University (London), July 9th, 2012; and *Ibid.*, “Yemen’s ‘barely functional’ air force points to US involvement in strikes,” March 29th, 2012.

¹⁶ Department of Defense Transcript, Presenter: Secretary of Defense Leon E. Panetta and ABC News Jake Tapper, May 27, 2012.

¹⁷ The White House, Presidential Letter -- 2012 War Powers Resolution 6-Month Report, June 15, 2012.

¹⁸ “CIA Seeking more Drones,” *Washington Post*, October 19, 2012.

- Do alleged U.S. air strikes against terrorist targets in Yemen alienate the local population, strengthen nationalist and anti-American forces there, and cause too much collateral damage—thereby exacerbating the terrorism threat over the long term?
- What alternatives do U.S. policymakers have to pursuing terrorists targeting the United States on foreign soil?
- How deep a terrorist network does AQAP have and will it be able to replenish its ranks? Can AQAP be compromised by foreign intelligence services or co-opted by the Yemeni government?
- Given all the challenges facing Yemen, for how long do U.S. policymakers expect to wage counter-terrorism operations there? How does the United States define success?

To date, reported U.S. strikes against AQAP have led to the killings of several high value AQAP targets, including extremist cleric/U.S.-citizen Anwar al Awlaki on September 30, 2011. On May 6, 2012, a strike killed Fahd al Quso, a longtime Yemeni militant wanted by the F.B.I. for his role in the 2000 bombing of the *U.S.S. Cole*. Nevertheless, AQAP has continued to target Americans citizens. On March 1, 2012, AQAP claimed to have assassinated a Central Intelligence Agency officer working in Yemen. The U.S. Defense Department rejected this claim, though it acknowledged that gunmen opened fire on a U.S. security training team operating in southern Yemen. On March 11, AQAP gunmen on motorcycles shot to death a 29-year-old American teacher working in Taiz, Yemen named Joel Shrum. He had been an employee of the non-governmental organization International Training Development. In October 2012, gunmen shot dead Qassem Aqlan, a longtime Yemeni employee at the U.S. Embassy in Sana'a. Aqlan was responsible for coordinating security information between the U.S. Embassy and the Yemeni authorities and his main duties included conducting personnel checks as head of the "foreign service national investigative unit."

U.S.-Yemeni Counterterrorism Cooperation Under President Hadi

Under the rule of former President Saleh, the United States and Yemen had a contentious relationship with regard to terrorism-related issues. U.S. policymakers were repeatedly frustrated by Saleh's lack of attention to the issue or even direct obstruction of U.S. efforts to counter AQAP. However, with the election of President Hadi, the United States has found a more willing partner in the effort to disrupt AQAP's ability to conduct international attacks and to fight a domestic insurgency. According to Deputy National Security Advisor for Homeland Security and Counterterrorism John Brennan, "We're trying to ensure that the [U.S.] aid is very tailored, so it goes to those units that are professional, that fall within a command and control structure that reports to Hadi, that are addressing Al Qaeda and domestic threats to Yemen, and are not engaged in any political shenanigans."¹⁹ Marine General James Mattis, the head of U.S. Central Command, has said that with the successful ascent of President Hadi, the United States plans to resume its training program.²⁰

¹⁹ Eric Schmitt, "U.S. Teaming With New Yemen Government on Strategy to Combat Al Qaeda," *New York Times*, February 26, 2012.

²⁰ "U.S. to Resume Yemen Training," *Wall Street Journal*, March 7, 2012.

AQAP Attacks Continue in Yemen

Perhaps as a result of their displacement from the southern provinces, AQAP militants have trickled back into the capital and continue to fight asymmetrically.²¹ In May 2012, a suicide attack in Sana'a targeting a military parade resulted in over 100 soldiers killed and over 200 wounded, and in July another killed 10 people and wounded 15 at a police academy graduation.²² In September 2012, a car bomb exploded while the motorcade of Yemen's defense minister passed by in an AQAP attack in Sana'a that killed 13 people. Over the past several months, Ansar al Sharia has continued to skirmish with government troops, attacked small towns (Rida, Jaar), attacked army and air force installations, and attempted to assassinate government officials. Even after a claimed success in purging AQAP elements from the provinces of Abyan and Shabwa, President Hadi in late September offered a dialogue with AQAP elements if they would agree first to disarm and reject foreign support.²³

On October 4, 2012, the State Department designated Ansar al Sharia (AAS), based in Yemen, as a Foreign Terrorist Organization (FTO) due to its affiliation with AQAP (also an FTO). The designation, taken in consultation with DOJ and Treasury, will prohibit transactions or financial or other support and will freeze AAS-affiliated property within U.S. jurisdiction. The U.N. Sanctions Committee also listed AAS, imposing on it a worldwide assets freeze, a travel ban, and an arms embargo.²⁴

The Economy and International Aid to Yemen

Since taking office, President Obama has recognized that the United States cannot be solely responsible for Yemen's development and security. In order to increase donor coordination and widen the scope of support, the United States and Great Britain helped form the Friends of Yemen Group, a multilateral forum of 24 concerned countries that was launched at a January 2010 conference in London.²⁵ Since then, meetings between Yemen and Arab donors have been held in order to accelerate the delivery of \$5.7 billion in pledges made at an earlier 2006 conference in London. Only 25% of those pledges had been disbursed.

Over the next year, the Yemeni government claims that it needs approximately \$12 billion in international aid. Due to political unrest in 2011, the economy contracted by over 10% in 2011. In late September 2012, donors pledged \$1.5 billion for civil society and development at the Friends of Yemen Conference held in New York. Earlier in the month, donors pledged \$6.4 billion for post-election economic reconstruction at a conference in Riyadh co-hosted by Saudi Arabia

²¹ Katherine Zimmerman, Yemen Crisis Situation Reports: Update 142, AEI Critical Threats Project, July 11, 2012

²² Mohammed Ghobari, "Al Qaeda suicide bomber attacks Yemen police academy," Reuters, July 11, 2012; and, Hakim Almasmari and Mohammed Jamjoom, "Huge suicide blast kills more than 100 troops in Yemen," CNN.com, May 21, 2012.

²³ Andrew Hammond, "Yemeni leader offers conditional dialogue with al Qaeda," Reuters, September 26, 2012.

²⁴ State Department, Terrorist Designations of Ansar al-Sharia as an Alias for Al-Qaida in the Arabian Peninsula, October 4, 2012.

²⁵ Traditional foreign donors to Yemen include the United States, GCC states, United Kingdom, Germany, France, Netherlands, Italy, Japan, South Korea, the World Bank, European Commission, various United Nations agencies (UNDP, HCR, WFP, UNFPA, UNICEF, FAO, WHO, UNHCR), and Arab multilateral development funds (Arab Fund for Economic and Social Development, the Islamic Development Bank, the OPEC Fund, the Arab Monetary Fund).

(which pledged \$3.25 billion), Yemen, and the World Bank.²⁶ Donors include China, France, Russia, Britain, the United States, and members of the GCC. Despite the large pledges and their designation as support to the “country’s urgent stabilization and development needs and to assist its ongoing political transition over the next 18 months,” it remains unclear exactly how and along what time frame the funds will be disbursed to a nascent government lacking infrastructure and authority.²⁷

Disbursement of international aid is also related to concerns of domestic corruption. The Yemeni economy, its political system, and its tribal and military elites are intertwined in a political patronage system that makes reform efforts difficult.²⁸ Control over state resources provides power brokers with authority and creates channels of influence and obligation that, if upset, can prove politically disruptive. The Committee for Military Affairs, parliament, and the president have not provided consistent progress updates on prior development initiatives to either domestic or international audiences. According to Transparency International, Yemen was ranked 164 of 182 countries in the 2011 corruption perception index; Libya was ranked 168 in the same index.²⁹

Humanitarian Situation

Political unrest in Yemen caused the World Food program to increase food rations provisions from 1.2 million in January 2012 to 3.8 million in September. Kidnappings, poor infrastructure, rising food prices, and the need to import food due to a lack of arable land further degrade hunger assistance efforts. Five million landless laborers cannot afford or grow food, and another five million are malnourished due to a lack of enough food (a condition also referred to as “food insecurity”). Malnutrition in Yemen has reportedly doubled since 2009; it now has the third-highest rate of child malnutrition in the world at thirteen percent.³⁰ Following the spread of violent conflict in 2011, there are now more than 300,000 internally displaced Yemenis in the north and more than 100,000 in the south. There are currently approximately 229,000 asylum-seekers and refugees from the Horn of Africa and 12,000 migrants, most of whom are in the south.³¹

In a recent speech President Hadi enumerated the broader toll of recent violence from May 2011 to September 2012: 88 schools destroyed, 383 soldiers dead and 3350 wounded, and 294 civilians dead. Employment is also a serious problem: 6 million people aged 15-28 are unemployed, while 600,000 college graduates have been looking for work for the past ten years. Hadi stated that economic aid is critically important because the level of poverty increases the number of recruits for Al Qaeda.³²

²⁶ World Bank, “‘Friends of Yemen’ Meeting Delivers US\$1.5 Billion Boost to Yemen’s Transition Process.” September 27, 2012.

²⁷ CRS email correspondence with World Bank, October 16, 2012.

²⁸ Peter Salisbury, “Yemen’s Economy: Oil, Imports and Elites,” Chatham House Middle East and North Africa Programme Paper 2011/02, October 2011.

²⁹ Transparency International, Corruption Perceptions Index, 2011.

³⁰ Reuters, “Millions Are Facing Food Crisis in Yemen, U.N. Agency Says,” September 30, 2012.

³¹ U.N. Office of the Coordinator for Humanitarian Affairs, Yemen 2012-2013 Budget; and, U.N. High Commissioner for Refugees, Yemen Factsheet, September 2012.

³² President Hadi speech at Woodrow Wilson Center, Washington, DC, September 28, 2012.

U.S. Aid to Yemen

In annual foreign operations legislation, Congress does not typically earmark aid to Yemen. Instead, after the passage of a foreign operations appropriations bill, federal agencies such as the State Department and USAID allocate funds to Yemen from multiple aid accounts. They then submit a country allocation report (653a Report) to Congress for review. Unlike much larger regional recipients of U.S. assistance such as Israel, Egypt, Jordan, and the Palestinians that receive funds from two or three main aid accounts, U.S. aid to Yemen in any given fiscal year can come from as many as 17 different aid programs managed by multiple agencies, including the Department of State, USAID, and the Department of Defense. Annual appropriations legislation specifically requires the executive branch to notify the Appropriations Committees prior to the obligation of funds for programs in Yemen.

In FY2012, the Obama Administration in consultation with Congress provided Yemen **over \$316 million** in bilateral aid from a dozen foreign assistance accounts managed by the Defense Department, State Department, and USAID. The Administration plans to provide a total of \$346 million in FY2012, which would be the largest amount of bilateral assistance ever provided by the U.S. government to Yemen.³³ FY2012 U.S. assistance includes military, economic (job creation, infrastructure rehabilitation, micro-finance, and agriculture development), democracy (reforming the electoral system, youth engagement), and humanitarian programs (water and sanitation, emergency food, health services).

Military Aid

Foreign Military Financing

The United States provides Yemen's conventional armed forces modest amounts of FMF grants mainly to service aging and outdated equipment. The FMF program is managed by the Defense Security Cooperation Agency (DSCA). According to documentation provided to CRS by DSCA, FMF grants help Yemen's Air Force to sustain their two C-130H aircraft originally purchased in 1979, as well as a handful of their serviceable F-5 fighter aircraft. The United States also has provided Yemen's Coast Guard, which was partially developed and trained by the United States, with fast response boats (Archangel and Defender Class) using FMF grants. FMF also funds Yemen's regular purchase of small arms ammunition, spare parts, and power generators. It also covers overseas transportation of equipment to Yemen, the costs of which can be high due to piracy attacks in nearby waters.

FMF funds also are used to supplement training for Yemen's Ministry of Interior Forces, specifically from the U.S.-funded Counterterrorism Unit (CTU) inside the Central Security Force, an internal unit controlled directly by General Yahya Mohammed Abdullah Saleh, the former president's nephew.

³³ U.S. Government Assistance to Yemen, Fact Sheet, Office of the Spokesperson, U.S. State Department, September 27, 2012.

Nonproliferation, Antiterrorism, Demining, and Related Programs Funds (NADR)

Managed by the State Department, the NADR account, funds police training programs, export control and border security programs, conventional weapons destruction and demining, and antiterrorism training.

International Counter Narcotics and Law Enforcement (INCLE)

Managed by the State Department, INCLE funding provides technical assistance, training, and equipment to Yemen's civilian law enforcement and judicial institutions.

International Military Education and Training (IMET)

Like most recipients, Yemen uses IMET funds to send its officers to the United States to study at select military colleges and institutions. IMET funds also have paid for English language instruction from the Defense Language Institute for Yemeni officers, including the construction of a language lab in Yemen. IMET funds typically support the training of between 10 to 20 students per year.

1206 Defense Department Assistance

In recent years, the Defense Department's 1206 train and equip fund has become the major source of overt U.S. military aid to Yemen. Section 1206 Authority is a Department of Defense account designed to provide equipment, supplies, or training to foreign national military forces engaged in counterterrorist operations. In general, 1206 aid aims to boost the capacities of Yemen's air force, its special operations units, its border control monitoring, and coast guard forces. Since FY2006, Yemen has received a total of \$290.026 million in 1206 aid.

Aid to Yemen's Ministry of Interior Forces

Section 1207 (n) (C) of the FY2012 National Defense Authorization Act (P.L. 112-81) established a new transitional authority that would permit the Secretary of Defense, with the concurrence of the Secretary of State, to assist counterterrorism and peacekeeping efforts in Yemen during FY2012. Assistance may include the provision of equipment, supplies, and training, as well as assistance for minor military construction, for the following purpose: "To enhance the ability of the Yemen Ministry of Interior Counter Terrorism Forces to conduct counter-terrorism operations against al-Qaeda in the Arabian Peninsula and its affiliates." On June 7, 2012, the secretaries of Defense and State jointly certified that up to \$75 million in U.S. aid to Yemen's Ministry of Interior Counterterrorism Forces is important to U.S. national security interests. The GSCF FY2012 aid includes, among other things, funds for night vision goggles, armored wheeled vehicles, and operational training.

Is U.S. Military Aid to Yemen Being Misused?

Some observers and lawmakers have concerns regarding increased U.S. military aid to Yemen. Some fear that, despite required U.S. human rights training and vetting of Yemeni units, abuses committed by security forces may still occur or even increase. Others, particularly lawmakers, are

concerned that U.S. equipment could be diverted by the Yemeni government away from combating terrorism and toward fighting domestic insurgencies. One January 2010 Senate Foreign Relations Committee report concluded that it was “likely that U.S. counterterrorism assistance had been diverted for use in the government’s war against the Houthis in the north and that this temptation will persist.” The report stated that

This potential misuse of security assistance underscores the importance of enhancing the current end-use monitoring regime for U.S.-provided equipment. Indeed, the existing end-use monitoring protocols in place have revealed discrepancies between U.S. records of security assistance and those that are in the possession of Yemeni defense forces. The Defense Security Cooperation Agency (DSCA), the Department of State, and Embassy’s Office of Military Cooperation (OMC) should work to reconcile these differences. In addition, they should conduct a thorough review of physical security and accountability procedures at the Yemeni Special Operations Forces (YSOF) compound.³⁴

In 2011, at the height of political unrest in Yemen, the Administration ceased deliveries of previously appropriated aid for Yemen,³⁵ although the delivery of some aid resumed in September 2011. U.S. officials had been concerned that U.S. trained and equipped units in the Yemeni security services may have been involved in fighting between former President Saleh’s forces and his opponents. As a result, Yemen did not receive any U.S. Section 1206 Department of Defense (DOD) assistance in FY2011. According to the U.S. State Department:

Based on conditions in Yemen, we are gradually resuming previously suspended military assistance to components of the Yemeni military that are combating AQAP. The resumption of assistance to Yemeni forces includes equipment and limited training. We will support efforts to reform and strengthen Yemen's law enforcement and judicial institutions in order to enhance the rule of law. In accordance with the political transition initiative, Yemen must restructure its armed forces under civilian control, and create a unified and professional leadership structure that serves the Yemeni people's national interests. The United States is committed to supporting the Yemeni military as it undertakes this task. We will continue to monitor carefully all U.S. assistance to ensure it serves its intended purpose and to guard against human rights abuses by preventing persons or groups who have committed human rights violations from receiving U.S. funding.³⁶

³⁴ U.S. Congress, Senate Committee on Foreign Relations, *Following the Money in Yemen and Lebanon: Maximizing the Effectiveness of US Security Assistance and International Financial Institution Lending*, committee print, 111th Cong., 1st sess., January 5, 2010 (Washington: GPO, 2010).

³⁵ "U.S. Halted Record Aid Deal as Yemen Rose Up," *Wall Street Journal*, April 8, 2011.

³⁶ *op. cit.*, U.S. Government Assistance to Yemen.

Table I. I206 Department of Defense Funding for Yemen FY2006-FY2012

(\$ in millions)

I206 Program	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
Cross Border Security and CT Aid	4.3	—	—	—	—	—	—
Yemeni Special Operations Capacity Development to Enhance Border Security	—	26.0	—	—	—	—	—
Air Force Aerial Surveillance Initiative	—	—	—	5.9	—	—	—
Coast Guard Maritime Security Initiative	—	—	—	29.9	—	—	—
Increased Border Security CT Initiative	—	—	—	25.4	—	—	—
Explosive Ordnance Disposal Initiative	—	—	—	5.8	—	—	—
Special Operations Forces CT Enhancement Package	—	—	—	—	34.5	—	14.0
Fixed-Wing Aircraft and Support for Yemeni Air Force to Support CT Units	—	—	—	—	38.0	—	23.426
Rotary-Wing Aircraft (4 Huey II) and Support for Yemeni Air Force to Support CT Units	—	—	—	—	52.8	—	—

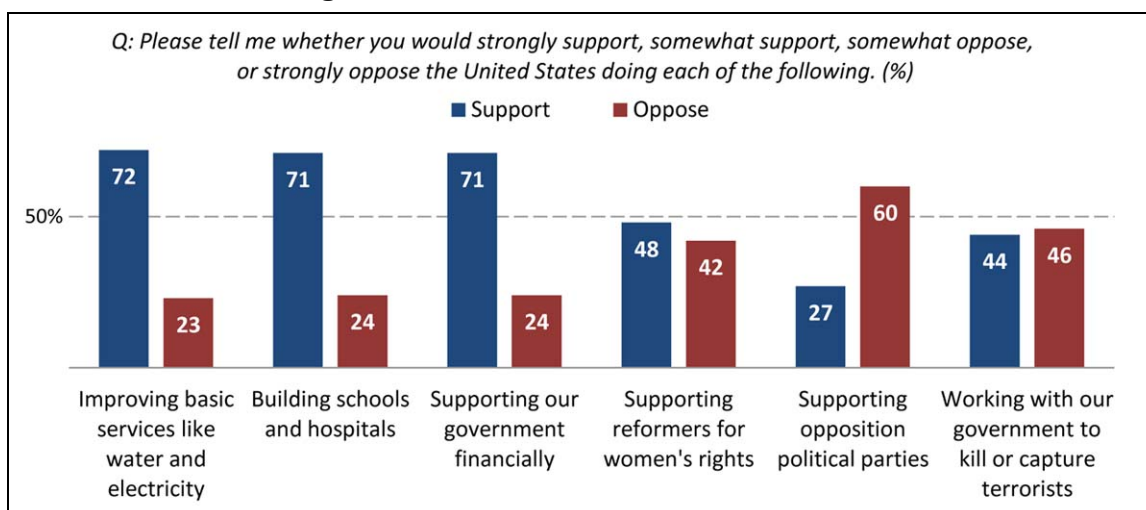
I 206 Program	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
Upgrades and Parts for approx. 10 existing Yemeni Air Force Helicopters	—	—	—	—	30.0	—	—
Total	4.3	26.0	0	67.0	155.3	0	37.426

Source: CRS Report RS22855, *Security Assistance Reform: “Section 1206” Background and Issues for Congress*, by Nina M. Serafino.

Economic Aid

Yemen receives U.S. economic aid from multiple accounts, the largest of which are typically the Economic Support Fund (ESF), the Development Assistance (DA) account, and the Global Health Child Survival account (GHCS). USAID’s country stabilization strategy for Yemen features, among other activities, two main programs, the Community Livelihoods Project (CLP) and the Responsive Governance Project (RGP). The CLP seeks to work with NGOs in local communities in Yemen’s rural governorates in order to expand access to freshwater, healthcare, and education. The RGP seeks to work with, according to USAID, “key Yemeni ministries, including Health, Education, Agriculture, Planning, Industry & Trade, among others, to address related but broader government policy, institutional, and capacity issues that will help the Government of Yemen be more responsive to the needs of its citizens.”³⁷ The governance program was awarded to Counterpart International. In addition to USAID programming, Yemen also receives U.S. humanitarian assistance. Current U.S. funding supports shelter, food aid, emergency relief supplies, safe water supplies, sanitation assistance, camp coordination and management, protection, health and nutrition, and medical supplies for refugees and internally displaced persons.

³⁷ USAID, *Fact Sheet: USAID New Strategy for Yemen*, February 5, 2010.

Figure 4. Yemeni Attitudes toward U.S. Aid

Source: U.S. State Department, INR Opinion Analysis: "Yemenis Seek U.S. Aid, But Not Political Tutelage," Open Source Center, Document ID# FBS20120508491150, April 26, 2012

Congressional Action

The House Armed Services Committee report on the FY2013 Defense Authorization bill (H.R. 4310, H.Rept. 112-479) expresses concern "about the spread of Al Qaeda regional affiliates and the lack of a comprehensive counterterrorism strategy to mitigate these threats." The report expresses the committee's concern about potential "over-reliance" on "kinetic" or lethal action against affiliates and directs the Administration to brief the congressional defense committees on a more comprehensive approach that includes future capacity building for partner governments. Such a program could require greater foreign assistance funding in future years for partner governments, including Yemen.

P.L. 112-74, the Consolidated Appropriations Act, 2012, states that "None of the funds appropriated by this Act may be made available for the Armed Forces of Yemen if such forces are controlled by a foreign terrorist organization, as defined by Section 219 of the Immigration and Nationality Act."³⁸

Congress also placed restrictions on U.S. aid to Yemen in the National Defense Authorization Act for Fiscal Year 2012 (P.L. 112-81). Section 1207 (n)(2)(C) states that no Defense Department-administered Section 1206 funds for Yemen may be used "until 30 days after the date on which the Secretary of Defense and the Secretary of State jointly certify in writing to the specified congressional committees that the use of such authority is important to the national security interests of the United States. The certification shall include the following: (i) The reasons for the certification; (ii) A justification for the provision of assistance; (iii) An acknowledgment by the Secretary of Defense and the Secretary of State that they have received assurance from the

³⁸ Section 219 of the INA created the State Department-administered list of Foreign Terrorist Organizations (FTOs). AQAP is a designated FTO. For background, see archived CRS Report RL32120, *The "FTO List" and Congress: Sanctioning Designated Foreign Terrorist Organizations*.

Government of Yemen that any assistance so provided will be utilized in manner consistent with subsection (c)(2).”

Table 2. U.S. Foreign Aid Allocations to Yemen, FY2007-FY2012

\$s in millions

Account	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
I206 (DoD)	26.0	0	67.0	155.3	0	37.426
P.L. 112-81	0	0	0	0	0	75.0
FMF (DoS)	10.0	4.0	3.0	13.0	20.0	20.0
INCLE (DoS)	0	.50	0	1.0	1.8	11.0
NADR (DoS)	3.004	2.534	2.225	6.025	4.5	3.750
IMET (DoS)	1.06	.945	1.00	1.153	1.100	1.09
ESF (DoS)	9.0	2.0	20.0	5.0	55.0	40.0
DA (USAID)	1.0	5.0	11.0	35.0	0	0
GHCS (USAID)	0	3.0	3.0	8.0	9.0	7.989
Food for Peace (USAID)	0	2.0	2.0	13.0	20.0	52.343
CCF (DoS)	0	0	0	12.807	0	0
MRA (DoS)	1.0	3.0	10.0	13.0	23.0	19.738
ERMA (DoS)	.650	2.950	0	7.800	0	0
IDA (DoS)	0	0	.599	10.928	20.212	45.094
TI (DoS)	0	0	0	5.492	3.850	3.050
I207	8.845	0	0	10.034	0	0
MEPI (DoS)	1.055	0.167	1.958	0.332	n/a	0
CMM (USAID)	0.300	0.200	1.600	1.200	0	0
DCHA (USAID)	0	0	0	0	1.250	0
Total	61.914	26.296	123.382	299.071	159.70	316.48

Source: Government Accountability Office, Report Number GAO-12-432R.

Notes: Allocations for FY2012 may be incomplete.

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